

Before the
Federal Communications Commission
Washington, DC. 20554

In the Matter of
Petition for Declaratory Ruling that AT&T's
Phone-to-Phone IP Telephony Services Are
Exempt from Access Charges
WC Docket No. 02-361

COMMENTS OF NETACTION

December 18, 2002

NetAction respectfully submits these comments in response to the Wireline Competition Bureau's November 18, 2002 Public Notice.¹

NetAction is a national nonprofit organization dedicated to promoting use of the Internet for effective grassroots citizen action campaigns, and educating the public, policy makers, and the media about technology policy issues. For example, NetAction:

- Supports government efforts to promote open source software development. The widespread peer review involved with open source software creates robust, secure software that will promote the Internet's growth and economic development.
- Supports efforts to break the Bell companies' dominance over consumers, which has delayed broadband rollout and forced higher prices on consumers.
- Promotes consumer activism via the Internet by offering a free online training curriculum on how to use technology for grassroots citizen action.

Our interest in promoting widespread use of the Internet as a tool for organizing and advocacy is what compels us to comment on the issue of whether access charges should apply to Voice over Internet Protocol (VoIP) technology.

VoIP: Potential For Interactive Voice, Video, and Internet Services.

VoIP has immense potential to make innovative voice, video, and Internet services widely available to consumers. In addition to introducing new services, it quite literally could change America's telecommunications landscape by increasing competition and improving service quality while lowering prices.

¹ "Wireline Competition Bureau Seeks Comment on AT&T's Petition For Declaratory Ruling That AT&T's Phone-To-Phone IP Telephony Services Are Exempt From Access Charges," DA 02-3184, Nov. 18, 2002.

That's why NetAction believes the Commission should do everything within its authority to nurture this emerging technology. Anything less would be an abdication of the Commission's duty to promote industry growth and consumer-friendly technologies.

NetAction does not need to remind the Commission of the frequent anti-consumer actions of the nation's four remaining Bell monopolies – especially SBC and Qwest. The Commission needs only to review its own actions against these companies. (See Chairman Michael Powell's Oct. 9, 2002, statement regarding the \$6 million fine imposed on SBC for "unlawful, anti-competitive" behavior.")²

Qwest's anti-consumer actions are also well documented and have resulted in nearly \$900 million in sanctions since January 2000.³

Consumer advocates have already called attention to Bell efforts to specifically thwart development of VoIP services. The Consumer Federation of America (CFA) and the Texas Office of Public Utility Council noted in a recent study that the Bells "have taken steps to frustrate the potential for voice service to grow over the high-speed Internet.

Some ILECs have initiated plans to unilaterally impose on ISPs a costly and counterproductive requirement to use Point-to-Point over Ethernet (PoPPoE), a plan that is designed not to improve the product, but to protect the ILECs' voice service from competition from VoIP service, which is incompatible with PoPPoE. Voice over IP holds the promise not only of lower consumer prices, but also superior quality and innovative interactive options integrated with consumer's video and Internet services."⁴

The emergence of cable telephony and, to a lesser extent, wireless service has brought consumers some long-overdue alternatives to the Bells' dominance. But more alternatives are needed in order to promote a truly competitive telecommunications market.

That's why VoIP is such an important development. It has the potential to bring innovative new services to millions of consumers who at present have little or no choice in service providers or technologies. Moreover, this emerging technology could

² Chairman Powell's statement is at:

http://www.fcc.gov/Daily_Releases/Daily_Business/2002/db1010/DOC-227216A1.txt.

Also see <http://www.voicesforchoices.org/voices/wrapper.jsp?PID=1091-152> for a list of news reports regarding fines imposed on SBC and its acquisitions, Pacific Bell and Ameritech.

³ See <http://www.voicesforchoices.org/voices/wrapper.jsp?PID=1091-151> for a list of news reports regarding fines imposed on Qwest and its acquisition, US West.

⁴ "The Importance of ISPs in the Growth of the Commercial Internet," July 2002, Consumer Federation of America and Texas Office of Public Utility Counsel, page 23. See: <http://www.consumerfed.org/ispstudy070102.pdf>.

potentially foster the same kind of intense competition that has dramatically lowered long distance rates and made cell phones affordable to more than 137 million Americans.⁵

For these reasons, NetAction believes the Commission should maintain the exemption of VoIP services from access charges.

Respectfully submitted,

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⁵ Cellular Telecommunications Industry Association http://www.wow-com.com/news/wireless_newslines/.